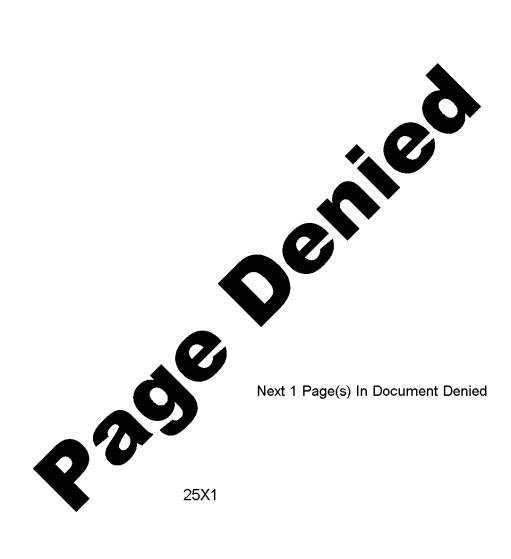
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SUMMARY: UNDER SECRETARY ARMACOST CALLED ON FIRESIDENT MARCOS JUNE & FOR A WIDE-RANGING DISCUSSION OF MAJOR PHILIPPINE ISSUES. THE PRESIDENT ASSERTED THAT HE MOULD HAVE THE COMMUNIST INSURGENCY LICKED IN SIX MONTHS SO THE NPA COULD NOT DISRUPT THE LOCAL ELECTIONS SCHEDULED FOR MAY 1986. HE DENIED THAT PRESIDENTIAL ELECTIONS WOULD BE SYNCHRONIZED WITH THE 1986 LOCAL ELECTIONS, AND ASSERTED THAT THE ORIGINAL SCHEDULE WOULD BE MAINTAINED, AND THE NEXT PRESIDENTIAL ELECTION WOULD TAKE PLACE IN THE SPRING OF 1987. MARCOS DODGED DISCUSSION OF THE RETURN OF GENERAL VER. SAYING THAT HE HAD A MORAL COMMITMENT TO REINSTATE VER IF VER IS ACQUITTED; THAT HE UNDERSTOOD THE AMERICAN VIEWPOINT; BUT THAT THE DECISION WOULD HAVE TO BE HIS ALONE. PRESIDENT HINTED THAT PARLIAMENT SPEAKER YNIGUEZ MIGHT BE HIS VICE PRESIDENTIAL RUNNING MATE. ARMACOST REMINDED THE PRESIDENT THAT OUR ABILITY TO PROVIDE APPITIONAL ASSISTANCE FOR PHILIPPINE PROBLEMS WAS DIRECTLY RELATED TO THE GOP'S SUCCESS IN ITS REFORM AGENDA. THE PRESIDENT SAID THAT HE HAD ORDERED IMPLEMENTATION OF THE AGRICULTURAL MARKETING REFORMS WHICH COULD PAVE THE WAY FOR A PL-48D AGREEMENT, BUT WE HAVE NO EVIDENCE THE BUREAUCRACY HAS THE WORD. END

3. ACCOMPANIED BY CHARGE D'AFFAIRES RICH, UNDER SECRETARY ARMACOST CALLED ON PRESIDENT MARCOS AT MALACANANG PALACE SATURDAY, JUNE 1. THE CONVERSATION LASTED ALMOST TWO HOURS, DURING WHICH THE PRESIDENT REMAINED PHYSICALLY ALERT AND POLITICALLY CANNY.

THE INSURGENCY

ARMACOST'S QUESTIONS ABOUT THE SECURITY SITUATION BY COMMENTING CRITICALLY ON LABOR MINISTER OPLE'S RECENT SPEECHES ALLEGING THAT THE INSURGENCY WAS GETTING MORE SERIOUS. THE PRESIDENT ASSERTED THAT HE WAS IN FULL CONTROL OF THE SITUATION AND EXPECTED TO BE ABLE TO GET THE COMMUNIST INSURGENCY PROBLEM UNDER CONTROL WITHIN SIX MONTHS. SOME FELT IT WOULD TAKE A YEAR, BUT HE WAS DETERMINED, HE SAID, TO DEAL WITH THE PROBLEM WELL BEFORE THE LOCAL ELECTIONS SCHEDULED FOR MAY 1986, TO PREVENT THE NPA FROM MANIPULATING THE POLLS.

5. ARMACOST EXPRESSED SURPRISE AT THIS FORECAST, NOTING THAT MOST INDICATORS, SUCH AS THE SIZE OF NPA REGULARS, NUMBERS OF IRREGULARS, THE FREQUENCY AND SERIOUSNESS OF

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VIOLENT INCIDENTS. THE NUMBER OF VILLAGES CONTESTED OR CONTROLLED BY THE NPA. AND THE SIZE OF THE CPPINPA'S MASS BASE ALL SUGGESTED THE PROBLEM WAS GETTING WORSE --A PROPOSITION THE PRESIDENT VIGOROUSLY CONTESTED. HE CLAINED THAT UNITS GUILTY OF HUMAN RIGHTS ABUSES WERE BEING RETRAINED; THAT KILL RATIOS WERE NOW 4:1 AND 5:1 IN FAVOR OF THE ARMED FORCES; THAT HE WAS PERSONALLY WORKING TO BOLSTER MORALE AND DIRECT OPERATIONS THROUGH PIRECT CONTACT WITH ALL LEVELS OF THE ARMED FORCES DOWN TO THE BATTALION COMMANDERS: THAT INEFFECTUAL COMMANDERS HERE BEING RELIEVED (E.G. NEGROS TASK FORCE COMMANDER PHOSE UNIT WAS RECENTLY BLOODIED DUE TO NEGLIGENCE); AND THAT ECONOMIC REVIVAL WOULD IMPROVE THE GOVERNMENT'S PROSPECTS FURTHER. COMMENT: MARCOS' COMMENTS ON THE MPA SEEMED MYOPIC AND POLLYANNISH. WHEN ARMACOST CHALLENGED HIS CASUALTY FIGURES, MARCOS CLAIMED THE GOVERNMENT WAS NOT ACKNOWLEDGING FULL INSURGENT KASUALTIES IN THE PRESS IN ORDER TO AVOID PROVOKING CRITICISH FROM HUMAN RIGHTS GROUPS. WHILE HE PUT ON A BRAVURA PERFORMANCE, RECITING MYRIAD DETAILS OF SMALL WHIT OPERATIONS, ETC., HIS GENERAL DIAGNOSES OF THE PROBLEM CONTAINED SCARCELY ANY POLITICAL COMPONENT. ALWAYS. HE SEEMED TO BE COUNTING ON THE SUPERIORITY OF GOP INTELLIGENCE. HE OFFERED NO CONVINCING STRATEGY FOR COUNTERING THE NPA, AND CLEARLY INTENDS TO KEEP THE COORDINATION OF COUNTER-INSURGENCY ACTIONS EXCLUSIVELY FIXED IN HIS OWN HANDS.

ELECTION SYNCHRONIZATION

MARCOS SAID HE WAS OPPOSED TO HOLDING THE PRESIDENTIAL ELECTION IN 1986 TOGETHER WITH THE ELECTION FOR GOVERNORS AND MAYORS. "ME MILL STICK TO THE ORIGINAL SCHEDULE." HE ACKNOWLEDGED THAT THERE WERE SOME IN THE KBL WHO WERE ADVOCATING SYNCHRONIZATION SO THAT THE PRESIDENT COULD LEND GREATER POLITICAL LUSTER AND FINANCIAL SUPPORT TO LOCAL CANDIDATES. MARCOS SAID HE FELT THAT THE PRESIDENTIAL ELECTION SHOULD FOCUS ON NATIONAL QUESTIONS AND NOT BE CONFUSED WITH LOCAL ISSUES AND LOCAL PERSONALITIES. HE SAID HE FAVORED A DIFFERENT TYPE OF SYNCHRONIZATION IN WHICH THE GOVERNORS AND MAYORS ELECTED IN 1986 WOULD SERVE ONLY A FOUR-YEAR TERM RATHER THAN THE NORMAL SIX YEARS, AND THEN IN 1990 THE NEXT ELECTION FOR GOVERNORS AND MAYORS WOULD BE SYNCHRONIZED WITH THE ELECTION OF NATIONAL ASSEMBLYMEN. HOWEVER, THIS DECISION WOULD HAVE TO BE MADE PRIOR TO THE ELECTION IN MAY 1986 SO THAT IT WAS

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CLEAR HOW LONG THE TERM OF THE INCUMBENTS WAS TO BE.
SUCH AN ADJUSTMENT COULD BE MADE BY THE PARLIAMENT,
WHEREAS A CHANGE IN THE TIMING OF THE PRESIDENTIAL
ELECTION REQUIRED AN AMENDMENT TO THE CONSTITUTION
UNLESS HE RESIGNED TO CREATE A VACANCY IN THE OFFICE.
THE PRESIDENT SAID HE WAS NOT ABOUT TO DO THE LATTER.
HE ALSO CONFIRMED HIS OWN INTENT TO RUN FOR THE
PRESIDENCY AGAIN IN 1987. NOR DID HE RISE TO THE BAIT
WHEN ARMACOST ASKED JOKINGLY WHETHER HE DIDN'T FEEL HE
HAD EARNED A PEACEFUL RETIREMENT.

THE VICE PRESIDENCY

7. UNDER SECRETARY ARMACOST ASKED THE PRESIDENT ABOUT HIS PLANS TO DEVELOP FUTURE LEADERSHIP IN THE GOVERNING KBL PARTY AND WHOM HE CONSIDERED THE STRONG POLITICAL LEADERS AMONG HIS PARTY COLLEAGUES. BY INFERENCE THE QUESTION WAS WHOM WOULD HE PICK FOR A RUNNING MATE IF HE DID INDEED RUN AGAIN HIMSELF. MARCOS COMMENTED THAT IT WAS TRADITIONAL TO BALANCE THE TICKET WITH SOMEONE FROM ANOTHER REGION, OF THE COUNTRY. ALTHOUGH HE MENTIONED DEPUTY PRIME MINISTER RONG (FROM SAMAR) IN PASSING, HE EMPHASIZED THAT PARLIAMENT SPEAKER YNIGUEZ (FROM LEYTE) WAS A STRONG LEADER AND WOULD BE A STRONG CANDIDATE AND OFFER BALANCE TO A KBL TICKET. HE ALSO MENTIONED CESAR

(COMMENT: YNIGUEZ, WHO IS THE SAME AGE AS MARCOS AND CONSIDERED A WEAK FIGURE, WOULD CLEARLY NOT OFFER ANY CHALLENGE TO THE PRESIDENT. NOR WOULD HE BRING ANY SIGNIFICANT ELECTORAL SUPPORT TO THE TICKET.)

MILITARY LEADERSHIP

ARMACOST ASKED FOR THE PRESIDENT'S ASSESSMENT OF THE REFORM MOVEMENT AMONG YOUNGER OFFICERS IN THE AFP.

PRESIDENT MARCOS DESCRIBED IN SOME DETAIL THE MEETING HE HAD HELD THE DAY BEFORE WITH REPRESENATIVES OF THE REFORM MOVEMENT "WE BELONG" COMPOSED OF PHILIPPINE MILITARY ACADEMY GRADUATES FROM THE CLASS OF 1971 ON. HE GRUDGINGLY ADMITTED THAT SOME OF THEIR "GRIPES" ABOUT OPPORTUNITIES FOR ASSIGNMENTS AND PROMOTIONS HAD SOME VALIDITY, CLAIMED TO HAVE PROMOTED A NUMBER OF THEM ON THE SPOT, AND CONTENDED THAT HE WAS ADDRESSING THE PROBLEM OF OVERSTAYING GENERALS. IN RESPONSE TO ARMACOSI'S FURTHER QUESTIONS, HE ACKNOWLEDGED THAT HE

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HAD RECENTLY EXTENDED THE TENURE OF THE THREE SERVICE CHIEFS INDEFINITELY. IN ADDITION, HE SAID HE HAD GIVEN SOUTHCOM COMMANDER MAJOR GENERAL DELFIN CASTRO A SIX-MONTHS EXTENSION TO ENABLE HIM TO "TRAIN HIS SUCCESSOR" IN THE COMPLICATED RELATIONSHIPS THAT OBTAIN IN SOUTHERN MINDANAO AND THE SULU ARCHIPELAGO. ACTING CHIEF OF STAFF EDDIE RAMOS INFORMED ARMACOST EARLIER IN THE DAY THAT MARCOS HAD DONE VIRTUALLY ALL OF THE TALKING IN THE MEETING WITH THE YOUNGER OFFICERS. WHILE MARCOS IMPLIED THAT THE FAILURE TO ACT ON THE "OVERSTAYING GENERALS" WAS ATTRIBUTABLE TO THE FACT THAT THE ACTING CHIEF OF STAFF HAD NOT COME UP WITH TIMELY RECOMMENDATIONS, RAMOS CLAIMED THAT MARCOS PAYS LITTLE ATTENTION TO PERSONNEL RECOMMENDATIONS FROM HIM OR DEFENSE MINISTER ENRILE, AND PERSONALLY CONTROLS ALL ASSIGNMENTS AND PROMOTIONS DOWN TO BATTALION COMMANDER LEVEL. THE RECENT EXTENSIONS OF RAMAS. PICCIO, ALEJANDRO, CASTRO, ET AL, REFLECT THE PRESIDENT'S DETERMINATION TO PRESERVE LOYALTY WITHIN THE UPPER REACHES OF THE MILITARY AT THE EXPENSE OF EFFICIENCY AND PROFESSIONALISM. END. COMMENT.

FENERAL VER'S FUTURE.

ARMACOST BRIEFLY DESCRIBED THE ADMINISTRATION'S ASSESSMENT OF PROSPECTS FOR SECURITY ASSISTANCE IN THE HONGRESS, NOTING OUR EFFORT TO AUGMENT MILITARY ASSISTANCE WITH THE AFP. HE ADDED THAT PROSPECTS FOR SECURING THE ADMINISTRATION'S REQUEST DEPENDED UPON SOMINUED EVIDENCE OF REFORM WITHIN THE MILITARY STABLISHMENT. HE SAID THAT OTHERS HAD REALLY CONVEYED MERICAN VIEWS ABOUT THE IMPACT OF GENERAL VER'S SEINSTATEMENT UPON OUR ABILITY TO SECURE CONGRESSIONAL SUPPORT FOR EXPANDED MILITARY ASSISTANCE, AND THAT HE HOLD NOT ADDRESS THE SUBJECT FURTHER OTHER THAN TO SAY SUBJECT.

On MARCOS RESPONDED FIRMLY THAT HE HAD A MORAL COMMITMENT TO FULFILL HIS PLEDGE TO REINSTATE GENERAL WER IF HE IS ACQUITTED BY THE COURT. HE WENT ON TO SAY THAT THE PHILIPPINE PEOPLE WOULD NEVER UNDERSTAND IT IF ME APPEARED TO BE MAKING PERSONNEL DECISIONS ON SUCH A SENSITIVE MATTER AS CHIEF OF STAFF AT THE BEHEST OF THE AMERICAN GOVERNMENT. THEREFORE, IT WAS FAR BETTER THAT WE NOT PRESS THIS ISSUE. THE PRESIDENT SAID HE FULLY REALIZED THE AMERICAN CONCERNS AND THAT HE WOULD TAKE

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ALL FACETS OF THIS ISSUE INTO CONSIDERATION AT THE APPROPRIATE TIME. HE IMPLIED THAT HE HAD A BRIEF, RITUAL REINSTATMENT IN MIND, BUT HE DID NOT PRECISELY CONFIRM THIS. ARMACOST MERELY NOTED THAT THE ISSUE CARRIES GREAT SYMBOLIC WEIGHT IN THE UNITED STATES, AND IT IS REGARDED AS A QUESTION WHICH TRANSCENDS THE ISSUE OF CRIMINAL CULPABILITY, INVOLVING AS IT DOES THE FURTHER QUESTION OF COMMAND RESPONSIBILITY.

THE AQUINO TRIAL

11. COMMENTING ON THE AQUINO ASSASSINATION TRIAL, THE PRESIDENT QUESTIONED THE CREDIBILITY OF THE KEY PROSECUTION WITHESS, MS. QUIJANO ("THE CRYING LADY"). ARMACOST NOTED THAT WE HAD HEARD DISQUIETING RUMORS THAT MS. QUIJANO WAS BEING SUBJECTED TO HARASSMENT AND THREATS TO INDUCE HER TO CHANGE HER TESTINONY; THAT WE WERE NOT IN A POSITION TO JUDGE THE VERACITY OF THESE ALLEGATIONS: BUT THAT IF THEY WERE TRUE, THEY WOULD BE DEEPLY DAMAGING TO THE PHILIPPINE GOVERNENT. PRESIDENT MARCOS DENIED THAT THE GOVERNMENT WAS INVOLVED IN ANY SUCH HARASSMENT, AND CLAIMED TO HAVE TOLD KEY ASSOCIATES THAT IF ANY HARM BEFELL MS. QUIJANG THIS WOULD DAMAGE THE PHILIPPINE MILITARY ESTABLISHMENT MOST OF ALL. HE WENT ON TO INSINUATE THAT MS. BUIJANO WAS A PERSON OF DUBIOUS PAST WHOSE BROTHER WAS THE ILLICIT LOVER OF THE DAUGHTER OF A PROMINENT OPPOSITION POLITICIAN (ASSEMBLYWOMAN EVA KALAW) AND THAT IT APPEARED SUSPICIOUS THAT QUIJANO'S BROTHER AND SISTER HAD BEEN GIVEN U.S. GREEN CARDS. "IT WOULD BE BETTER IF WE KEPT THIS QUIET," HE NOTED.

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ARMACOST EMPHASIZED USG CONCERNS TO ASSIST THE PHILIPPINES DURING THESE CRITICAL TIMES AND THE IMPORTANCE OF MOVING AHEAD MITH THE PRESIDENT'S REFORM AGENDA IN THE ARMED FORCES AND IN THE ECONOMIC SECTOR IN ORDER THAT WE CAN CREDIBLY OBTAIN ADDITIONAL RESOURCES FROM THE CONGRESS. MARCOS SAID THAT HE HAD SIGNED AN IMPLEMENTING ORDER EARLIER IN THE WEEK WHICH CONFIRMED HIS APRIL 16 EXECUTIVE ORDER FREEING UP RICE PRICES AND WHEAT AND FLOUR IMPORTS AND DISTRIBUTION. THE UNDER SECRETARY NOTED THAT THERE STILL SEEMED TO BE SOME STONEWALLING WITHIN THE PHILIPPINE BUREAUCRACY WHICH WAS SLOWING THE COMPLETION OF OUR UNDERSTANDINGS ON

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SELF-HELP MEASURES WHICH WERE NECESSARY TO CONCLUDE A PL-480 AGREEMENT. HE STRESSED THAT TIME WAS VERY SHORT TO ENABLE US TO PROCEED WITH SUCH AN AGREEMENT THIS YEAR AND THAT IT WOULD BE HELPFUL IF THE PRESIDENT COULD FOLLOW-UP TO ENSURE THAT HIS INTENTIONS WERE BEING

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13. THE PRESIDENT WAS INTELLECTUALLY ALERT THROUGHOUT THE ALMOST TWO-HOURS CONVERSATION, ALTHOUGH OFTEN HE RAMBLED ON MINUTIAE WHILE ELUDING THE QUESTION POSED. HIS RECALL OF DETAILS WAS AS IMPRESSIVE AS USUAL, AND HE TRIED HARD TO APPEAR COMPLETELY IN COMMAND.

INSURGENCY IN SIX MONTHS IS AT VARIANCE WITH ALL THE FUIDENCE. IT IS NOT CLEAR WHETHER HE BELIEVES THIS LOUBTFUL) OR SIMPLY WANTS TO CONVEY CONFIDENCE. ONE FACTOR MAY HAVE BEEN AN AFP REPORT PUBLISHED MAY 31 IN SHIP THE INTERVIEWER INTERPRETED THE PRESIDENT AS SILLITARY HELP AGAINST THE MOULD CALL ON THE USG FOR FURPOSELY MINIMIZED THE SERIOUSNESS OF THE SITUATION TO BE REQUIRED.

25. WITH REGARD TO ELECTION SYNCHRONIZATION, MARCOS SOUNDED CONVINCING IN HIS DENIAL THAT THERE WILL BE ANY CHANGE IN THE SCHEDULE FOR A PRESIDENTIAL ELECTION IN LAGY. HOWEVER, HE HAS NOT FORECLOSED HIS OPTIONS COMPLETELY AND ONE SHOULD NOT YET ASSUME THAT FURTHER SECTION TO UNDER SECRETARY ARMACOST THAT THERE WOULD BE NO "SNAP" ELECTION WAS GIVEN BANNER HEADLINES IN THE ESTABLISHMENT PRESS JUNE 2. FOR MALACAMANG THIS SERVED AS A DECISIVE RESPONSE TO PRESS STORIES THE WEEK BEFORE ALLEGING THAT THE PRESIDENTIAL ELECTION TIME TABLE.

IN. HIS HANDLING OF THE OF GENERAL VER ISSUE PARALLELED THE MANNER IN WHICH HE HAS DEALT WITH THIS IN OTHER RECENT MEETINGS WITH SENIOR AMERICAN VISITORS, I.E. ASSERT NATIONAL PREROGATIVES, NOTE A "COMMITMENT" TO VER, AND END BY SUGGESTING THAT THE AMERICAN CONCERNS ARE BEING HEARD AND WILL BE CONSIDERED ALONG WITH ALL

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NOR NOBLE. IT ESSENTIALLY REPEATED WHAT HE TOLD

18. IN SUM, THE UNDER SECRETARY FOUND MARCOS TO BE SOMEWHAT MORE VIGOROUS THAN EXPECTED AND DETERMINED TO PROJECT AN AIR OF CONFIDENCE. THE DETAILS OF HIS PRESENTATION, WHETHER ON THE INSURGENCY, MILITARY COMMAND RELATIONSHIPS OR THE VICE PRESIDENCY, RANGED FROM UNCONVINCING TO NARROWLY TACTICAL. HE FAILED TO DISPLAY MUCH FEEL FOR THE DEPTH OF THE PROBLEMS FACING THE COUNTRY AND THE STEPS REQUIRED TO MAKE PROGRESS AGAINST THOSE PROBLEMS. BUT HE LEFT NO DOUBT ABOUT HIS DETERMINATION TO HANG ONTO POWER AS LONG AS POSSIBLE.

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